

**STATE OF RHODE ISLAND  
BEFORE THE RHODE ISLAND ETHICS COMMISSION**

**In re: Donald J. Lally, Jr.,  
Respondent**

**Complaint No. 2015-7**

**ORDER**

This matter having been heard before the Rhode Island Ethics Commission on January 10, 2017, pursuant to Commission Regulation 1011, and the Commission having considered the Complaint herein, the arguments of the parties, and the proposed Information Resolution and Settlement, which is incorporated by reference herein, it is hereby

**ORDERED, ADJUDGED AND DECREED**

THAT, the Commission approves the Informal Resolution and Settlement; and

THAT, the Commission incorporates by reference herein the Findings of Fact and Admissions, and the Conclusions of Law, set forth in the Informal Resolution and Settlement; and

THAT, the Respondent violated Commission Regulation 36-14-5007; and

THAT, the Respondent agrees that he shall not seek or accept any employment by the state or any state agency, as such service is defined in R.I. Gen. Laws § 36-14-2(4) & 8(i), including service as a contractor or consultant to the state or any state agency, whether as an individual or a principal of an entity performing such service, for a period of one year following his April 20, 2016 resignation as Small Business Liaison in the Office of the Governor; and

THAT, the Respondent is ordered to pay a civil penalty in the amount of Five Thousand Dollars (\$5,000).

ENTERED as an Order of this Commission,



Chairperson

Dated: 1/10/2017

**STATE OF RHODE ISLAND  
BEFORE THE RHODE ISLAND ETHICS COMMISSION**

In re: Donald J. Lally, Jr.,  
Respondent

Complaint No. 2015-7

**INFORMAL RESOLUTION AND SETTLEMENT**

The Respondent, Donald J. Lally, Jr, and the Rhode Island Ethics Commission  
("Commission") hereby agree to a resolution of the above-referenced matter as follows:

**I. FINDINGS OF FACT & ADMISSIONS**

1. The Respondent was first elected to the Rhode Island House of Representatives in November 1989 and served continuously in said capacity until his resignation on March 17, 2015.
2. On July 7, 2015, the Respondent was hired by the Office of the Governor of the State of Rhode Island ("Office of the Governor"), in the position of "Small Business Liaison." Said position was a salaried employee of the Office of the Governor and was paid directly from the Office of the Governor's payroll account.
3. The Respondent began his employ with the Office of the Governor four (4) months following his resignation from state legislative office.
4. On April 20, 2016, the Respondent resigned from his position as Small Business Liaison in the Office of the Governor.

## **II. CONCLUSIONS OF LAW**

1. As an elected member of the Rhode Island House of Representatives, the Respondent was at all relevant times subject to the Rhode Island Code of Ethics in Government pursuant to R.I. Gen. Laws § 36-14-4(1).

2. The Commission finds that the Respondent's acceptance of employment by the Office of the Governor, a state agency, within the one (1) year period following his resignation from the Rhode Island House of Representatives, violated Commission Regulation 36-14-5007.

## **III. SETTLEMENT**

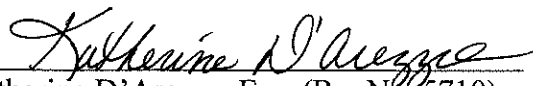
Pursuant to the above Findings of Fact and Conclusions of Law, the parties hereby agree, subject to the approval of the Commission, pursuant to R.I. Gen. Laws § 36-14-13(d) and Commission Regulation 1011, to the following:

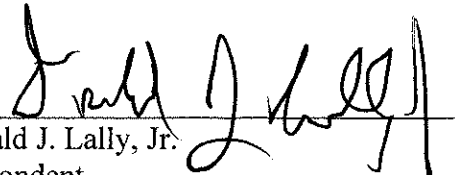
1. The Commission shall enter an Order and Judgment adopting the Findings of Fact, Conclusions of Law and terms of the Settlement herein.


2. The Respondent agrees that, for a one (1) year period following his April 20, 2016 resignation as Small Business Liaison in the Office of the Governor, he shall not seek or accept any employment by the state or any state agency, as such service is defined in R.I. Gen. Laws § 36-14-2(4) & 8(i). Pursuant to this settlement agreement, such employment shall also include service as a contractor or consultant to the state or any state agency, whether as an individual or a principal of an entity performing such service.

3. The Respondent further agrees that, pursuant to the above Findings of Fact and Conclusions of Law, the Prosecution will recommend, pursuant to R.I. Gen. Laws § 36-14-13(d), the imposition of a civil penalty in the amount of Ten Thousand Dollars (\$ 10,000). The Respondent agrees to the payment of said civil penalty.

4. The above terms represent the full and complete Informal Resolution and Settlement for Complaint No. 2015-7.

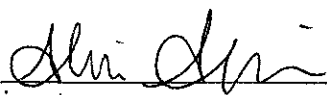
  
Katherine D'Arezzo, Esq. (Bar No. 5710)  
Commission Prosecutor  
Dated: 1/10/17

  
Donald J. Lally, Jr.  
Respondent  
Dated: 1/10/17

  
Patrick J. Dougherty, Esq. (Bar No. 5082)  
Respondent's Counsel  
Dated: 1/10/17

CERTIFICATE OF SERVICE

I, Alice Aieskoll, hereby certify that on the 10th day of January, 2017, I forwarded a copy of the Order and Informal Resolution and Settlement via US mail, postage prepaid, to: Patrick J. Dougherty, Esq., 887 Boston Neck Road, Suite #1, Narragansett, RI 02882 and Brandon S. Bell, One Davol Square, Penthouse, Providence, RI 02903.

  
Signature